

Cross Party Group in The Scottish Parliament on Postal Issues

Minutes of the meeting on 30th September 2014

Present:

MSPs

Hugh Henry MSP (Co-convenor and chair), Kenneth Gibson MSP (Co-convenor)

External Organisations

Sarah Beattie-Smith – Citizens Advice Scotland, John Brown – Communications Workers' Union, Hannah Frodsham – Competition and Markets Authority, Mairi Macleod – Communications Consumer Panel, Eilidh MacDonald – Citizens Advice Scotland, Claire Mack – Ofcom, Julie Pirone – Royal Mail, Donald Ramsay – National Federation of Sub Postmasters, Greg Black – Citizens Advice Scotland (minutes)

Apologies

Rod Campbell MSP, Patricia Ferguson MSP, Jamie McGrigor MSP

Colin Borland – Federation of Small Businesses, Julia Clarke – Which?, Neil Coltart – Trading Standards Scotland, John Downie – SCVO, Delia Henry – Action on Hearing Loss, Connie Hewitt – Post Office Limited, Paul Hook – National Federation of Sub Postmasters, Felicity Macfarlane – Royal Mail, Colin Mair – Improvement Service, Ian McKay – Ofcom Advisory Panel, Kate Morrison – Citizens Advice Scotland, Vicki Nash – Ofcom, Alan Robertson - CWU

1. Welcome

Hugh Henry MSP welcomed everyone to the meeting, introductions were made and apologies received.

2. Approval of minutes from meeting of 17th June 2014

Minutes were approved without alteration.

3. Update on Network Transformation Programme from Citizens Advice Scotland

Eilidh MacDonald, Post Policy Officer from CAS, gave a thorough update on the progress of the Post Office transformation programme, and was able to focus on changes to Crown Post Offices. Ms MacDonald agreed to send around a briefing version of her oral update to the group, but highlights included statistics on the numbers of Post Offices undergoing change in Scotland and where Citizens Advice input had secured changes to the Post Office Limited's (POL) original plans. She

acknowledged that POL had made more modest progress than was originally envisaged by this stage, and it is increasingly challenging for POL to meet their target of completing the transformation programme by late 2014/early 2015.

Hugh Henry MSP welcomed the update, noting that some changes have gone well, and in his constituency changes to services had been generally welcomed by the public. However, he also raised concerns about Sub Postmasters resigning due to computer system changes and disputed accusations of wrongdoing by POL. Donald Ramsay from the NFSP informed the group that the Horizon computer system had caused a few issues, but it was not particularly bad, and that some Sub Postmasters who were pursued by POL had indeed taken money wrongfully, but that POL had recently somewhat softened its zero-tolerance approach and fewer disputes are coming to a head via the courts. The lower level of responsibility in Post Office locals was also noted, as they have less money to “play with” and use different accounting systems.

John Brown from the CWU also raised concerns over POL’s plans – and pointed primarily to a lack of franchise partners for Post Office to partner with, and discontent with new locations and partners for post offices that had transformed, and the knock on negative effects on High Streets and local areas. There are also ongoing concerns over staff numbers as well as the number of services offered by transformed Post Offices.

Donald Ramsay and Julie Pirone concurred that there were a number of issues with potential franchise partners’ suitability, pointing out that there was little to no profitability in offering Post Office services in their own right, and that supermarkets would become increasingly unwilling partners for POL.

4. Post Office Card Account (POCA) update

Eilidh MacDonald gave an overview of the history and current prospects for the POCA,. The POCA contract is due to end in March 2015 with the possibility of being extended to 2017. POL and the DWP are currently in discussion regarding successor arrangements for POCA. She also spoke to the group about CAS plans to deliver research into its value, benefits and ways in which a successor strategy could be drawn up, improving on the current POCA to better serve the public and Post Offices alike..

All members of the group were very interested in ways POL could ensure that its branches are at the heart of communities, and ways in which it could provide profitable services. A number of members expressed regret that the opportunity to create a Post Office Community Bank had been missed. All members asked to be updated on this project’s progress at the next meeting and wished Ms MacDonald well in commissioning the research.

Julie Pirone also raised the possibility of delivering government services through Post Offices, and Eilidh Macdonald mentioned that this is also an area which CAS will be looking at in more depth – and noted past initiatives from COSLA to provide local authority services through Post Offices.

Ms Pirone also spoke about recent activity within the Welsh Assembly, where a number of Assembly Members have been pushing to ensure that the Post Office has a central role in the delivery of Government Services. Both Hugh Henry and Kenny Gibson agreed it would be good to hear more on best practice from other places, and this will be looked at for future meetings.

John Brown added that Post Offices are the ‘shop front’ for all postal services and therefore they should be thriving places, to avoid the ever decreasing circle of postal traffic. We should learn from a broad a range of places as possible, and that it would be short-sighted to allow the POCA to wither on the vine.

5. Parcel deliveries in remote and rural Scotland

Sarah Beatie-Smith for Citizens Advice Scotland passed on apologies from Kate Morrison, and updated the group on her behalf. She informed the group that CAS plans to rerun its survey on parcel deliveries in rural areas, and gauge whether or not the situation has improved since the Statement of Principles for Parcel Deliveries was put together and agreed. CAS is also going to hold a business-to-business seminar on sharing good practice regarding parcel deliveries before Christmas in either Edinburgh or Glasgow. This will help businesses discuss barriers to increasing coverage and reducing costs to consumers living in more remote parts of Scotland, and discuss issues such as renegotiating exclusivity clauses on delivery contracts.

Citizens Advice (England and Wales) is also holding a roundtable on Monday 6th October which will consider issues such as whether “Trusted Trader Marks” might be adopted by the industry, and whether businesses would sign up to promise a fair service for rural clients. It will also ask Yodel to provide a mechanism to take consumer feedback at this roundtable.

6. Royal Mail/mail market competition discussion

Hugh Henry will lead a members’ debate on this subject in the chamber on this subject on Thursday 2nd October. Various members took the opportunity to update him on their understanding of Whistl’s (formerly TNT Post) practices and plans for launching their final mile delivery services in Scotland, which is expected imminently.

Julie Pirone stated that as a Royal Mail representative who regularly attends the CPG, updating us honestly with Royal Mail's point of view and information, it would be welcomed if Whistl would similarly regularly send a representative.

7. Themes for future meetings and dates

The next meeting will be at 5:30pm on Tuesday 2nd December 2014.

Possible future themes include:

- Best practice and how it may be spread – both from places like Wales, Northern Ireland and England, but also the Credit Union acting as Sub Postmasters in Pollok.
- Whistl to give update on how their delivery network will look and its roll out of services.
- POCA research from CAS.
- Delivering Government services through Post Offices more generally.